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PROGRAMME AND BUDGET

Note by the secretariat

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I. INTRODUCTION

A. Mandate

1. Rule 10(d) of the rules of procedure of the Conference of the Parties (ICCD/COP(1)/11/Add.1) provides that the provisional agenda for each ordinary session of the Conference of the Parties (COP) shall include, as appropriate, the proposed budget as well as all questions pertaining to the accounts and financial arrangements.

2. By its decision 4/COP.4, the Conference of the Parties requested the Executive Secretary to submit to the Conference of the Parties at its fifth session a programme and budget for the biennium 2002-2003. The Conference of the Parties also requested the Executive Secretary, in the proposed programme and budget for the biennium 2002-2003, to include detailed tables of the proposed expenditures and resource requirements for each subsidiary body under the budget line for substantive support to the Conference of the Parties and its subsidiary bodies.

3. The Conference of the Parties invited the Executive Secretary to report at its fifth session on the performance of all the Convention's trust funds in 2000 and 2001;

4. The Conference of the Parties further requested the Executive Secretary to report on the need for, feasibility of, modalities for and costs involved in the regional coordination units as well as an evaluation to address the approach to regional level activities, taking into account the need to avoid duplication of the mandates of existing organizations, with a view to enabling the Conference of the Parties to take a decision at its fifth session.

B. Scope of the report

5. This document and its addenda address the requests of the fourth session of the Conference of the Parties as outlined above. The addenda are organized as follows:

1.	ICCD/COP(5)/2/Add.1	Programme and budget for the biennium 2002-2003
2.	ICCD/COP(5)/2/Add.2	Programme and budget for the biennium 2002-2003 (Supplementary Fund and Special Fund)
3.	ICCD/COP(5)/2/Add.3	Report on the performance of the Convention's trust funds in the biennium 2000-2001
4.	ICCD/COP(5)/2/Add.4	Report on the performance of the Trust Fund for Supplementary Activities in the biennium 2000-2001
5.	ICCD/COP(5)/2/Add.5	Need for, modalities for, cost involved in and feasibility of the regional coordination units
6.	ICCD/COP(5)/2/Add.6	Report on the status of contributions to the Convention's trust funds in the biennium 2000-2001

II. PROGRAMME AND BUDGET FOR THE BIENNIUM 2002-2003

A. Core budget

6. While reviewing this programme and budget proposal, it should be noted that the secretariat has taken into account the fact that priority should be given to the proper funding of six posts approved by the COP at its third session in Recife (4 P-4, 1 P-2 and 1 GS), but for which no financial provision was made. Had such provision been made, related costs would have amounted to US$ 570,000 for each of the years of the biennium. The resulting total cost of the UNCCD secretariat programmes would have been US$ 10,731,200 for the biennium 2000-2001. This should be considered as the level required to maintain the currently approved structure. This should be compared to total requirements contained in this proposed programme and budget, estimated at US$ 12,588,700 for the biennium 2002-2003, for the secretariat programmes and reflecting a growth of 17.3% over the 2000-2001 biennium.

7. Total resource requirements for the biennium 2002-2003, including programme support costs and working capital reserves but excluding possible conference servicing costs, are estimated at US$ 20,292,600 amounting to US$ 9,848,500 for 2002 and US$ 10,444,100 for 2003. This reflects a growth in the costs of UNCCD secretariat programmes of 17.3% and 126% for the office of the Global Mechanism.

8. The document takes fully into account the comprehensive assessment made by the Ad Hoc Working Group for the in-depth review and analysis of the reports submitted at the third and fourth sessions of the Conference of the Parties.

9. The proposed programme and budget further builds upon the existing structures of the Convention. It offers the best estimate of the activities over the next two years based on the decisions of the Conference of the Parties.

10. The main emphases in the programme and budget in the coming biennium are proposed to be the following:

(a) Information, policy advice and facilitation of the integration of the action programmes of the affected developing countries in their overall development strategies as well as relevant policy areas supported by their bilateral and multilateral partners;

(b) Development and implementation of synergistic programmes with other conventions, in particular with the conventions on Biological Diversity, Climate Change and Wetlands;

(c) Improving the efficiency and effectiveness of the work of the Committee on Science and Technology;

(d) Providing information and support upon request to Parties in implementing the Regional Implementation Annex for Eastern and Central Europe;

(e) Improving information activities through the development of an information strategy including an improved Web site, reference library and publications;

(f) Development of administrative, financial and personnel policies, procedures and other internal control systems.

Possible action by the COP

11. As a result of its deliberations, the Conference of the Parties at its fifth session may wish to consider for approval the proposed programme and budget of the Convention for the biennium 2002-2003, as specified in document ICCD/COP(5)/2/Add.1.

B. Supplementary Fund and Special Fund

12. In accordance with relevant decisions of the Conference of the Parties, the cost plans for the Supplementary Fund and the Special Fund for the biennium 2002-2003 will be submitted for consideration by the Parties at COP 5.

13. Activities to be undertaken under the Supplementary Fund would include those that may be decided upon by the Conference of the Parties during the fifth session but for which sufficient funding may not be available under the core budget. Funds are sought for assistance to Parties, upon request, to facilitate the preparation of their national, subregional and regional reports and to support the formulation and/or launching of the national, subregional, regional and interregional activities.

14. The supplementary programme also includes facilitation of the consultative and partnership processes, integration of the national action programmes into other development strategies and programmes of the affected developing countries, and assistance in promoting public awareness of the Convention as set out in the relevant regional implementation annexes.

Possible actions by the COP

15. At its fifth session the Conference of the Parties may wish to take note of the funding estimates of the Supplementary Fund amounting to US$ 6,165,500 for 2002 and US$ 6,478,000 for 2003, totalling US$ 12,643,500 for the biennium, and invite Parties, as well as governments of States not Parties, intergovernmental organizations, and non-governmental organizations, to make contributions to this Fund.

16. The Conference of the Parties may wish also to take note of the funding estimates of the Special Fund amounting to US$ 1,243,000 for the biennium 2002-2003, and invite Parties, as well as governments of States not Parties, intergovernmental organizations and non-governmental organizations, to make contributions to this Fund.

III. PERFORMANCE REPORTS

17. Document ICCD/COP(5)/2/Add.3 summarizes the financial performance on all Convention Trust Funds for 2000-2001, providing information on the performance level, as well as on programme implementation and results achieved. Additional information is provided in document ICCD/COP(5)/2/Add.4 on the activities supported by supplementary funds. It gives a brief description of the activities facilitated by the secretariat, the results achieved and the statement of expenditures.

18. These reports presents the expenditures as of 30 June 2001 and the estimated income and expenditures to 31 December 2001. The activities to be undertaken during the last six months of 2001 are briefly described and presented, with estimated expenditures and expected results.

Possible action by the COP

19. At its fifth session the Conference of the Parties may wish to take note of the reports on the performance of the Convention's trust funds in the biennium 2000-2001.

IV. REGIONAL COORDINATION UNITS

20. The affected country Parties of Latin America and the Caribbean, Africa and Asia have deemed it necessary to put in place adequate regional facilities which would help them in their efforts to develop and implement their regional action programmes. To this end the secretariat has been asked to facilitate the establishment of these regional coordination units with the support of interested partners. Consequently, the necessary arrangements have been made to house the regional coordination units at the United Nations Environment Programme/Regional Office for Latin America and the Caribbean (UNEP/ROLAC) in Mexico, the African Development Bank in Abidjan, Côte d'Ivoire, and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) in Bangkok, Thailand, respectively.

21. At the request of the country Parties concerned, the secretariat has been mobilizing supplementary funds from partners, including relevant subregional organizations, for the functioning of the regional coordination units. So far UNEP, the World Meteorological Organization (WMO), the Organization of African Unity (OAU) and the People's Republic of China have confirmed their contributions towards the activities and the functioning of the units.

22. However the sustainability of the regional coordination units will be achieved only if a regular source of funding is guaranteed. It is estimated that an amount of US$ 1,213,620 will be required during the biennium to cover the operational costs, which include staff salaries of the three units. It should be noted that the substantive activities of the units will continue to be supported through supplementary funding. It is anticipated that this arrangement will provide improved efficiency and capacity to respond to the needs of the affected countries of the regions concerned.

Possible action by the COP

23. At its fifth session, the Conference of the Parties may wish to take the necessary measures to cover the salary costs of a coordinator and a secretary per regional coordination unit. Estimated resource requirements for the three regional coordination units for one year is US$ 606,810.

V. COMMON ADMINISTRATIVE SERVICES UNIT

24. The conference of the Parties requested the Executive Secretary to report to its fifth session any outcome of the negotiations on the possibilities of establishing a common administrative services unit with the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC), taking into account the unique features of the Convention, as well as the financial rules of the Conference of the Parties.

25. During the biennium, the secretariat has been exploring the feasibility of establishing a common administrative services unit with UNFCCC to deal with aspects such as finance, general administration, human resources, procurement and travel. A draft proposal on the operating modalities of the proposed common administrative services in Bonn has been developed. The draft proposal was reviewed by the external auditors during their normal management review exercise and they recommended that further consideration should be given to this issue based on a detailed cost-benefit analysis by each participating organization.

Possible action by the COP

26. At its fifth session, the Conference of the Parties may wish to authorize the Executive Secretary to continue to hold consultations with the UNFCCC on the possibility of establishing a common administrative services unit in Bonn, taking into consideration the recommendations of the external auditors, and to provide a report on this issue at the sixth session of the Conference of the Parties.

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